

The District School Board of Indian River County met on September 8, 2016, at 5:01 p.m. The meeting was held in the Teacher Education Center located in the School District Office at the J.A. Thompson Administrative Center located at 6500 – 57th Street, Vero Beach, Florida 32967. District School Board Members attending were: Chairman Dale Simchick, Vice Chairman Shawn R. Frost, and Board Members: Matthew McCain, Claudia Jiménez, and Charles G. Searcy. Dr. Mark J. Rendell, Superintendent of Schools; and Suzanne D’Agresta, School Board Attorney, were also present.

**Minutes of
Special Meeting for Adoption of Final Budget Amendments,
Annual Financial Cost Report,
and Categorical Flexibility Spending Resolution; and
Public Hearing on Adoption of 2016-2017 Budget and Millage Rates**

I. Meeting was called to order by Chairman Simchick.

II. PLEDGE OF ALLEGIANCE TO THE FLAG – Chairman Simchick

III. PURPOSE OF MEETING

Dr. Rendell stated that the purpose of the meeting was twofold. The first part of the meeting was to approve the final 2016-2017 budget amendments contained within Consent Agenda A. The amendments included: General Operating Fund, Debt Service Fund, Capital Projects Fund, Food Services Fund, Federal Funds, Internal Service Fund, and the Enterprise Fund for Extended Day Program. He said that these amendments were based on the final results of operations and activities in those various funds. In addition, the Board had in front of them for approval the Superintendent’s Annual Financial Report and Cost Report in substantially completed form for the fiscal year that ended on June 30, 2016, contained within Consent B. In addition, on the Action Agenda was a Categorical Flexible Spending Resolution as authorized by Florida Statutes 1011.62(6)(b).

The second part of the meeting was for adoption of the millage rates and budget for 2016-2017 fiscal year, after receiving public input. Truth in Millage (TRIM) advertisements were placed according to specifications of law. TRIM required that the first issue discussed at the public hearing would be the proposed millage rates for the fiscal year. By law, the budget was required to be adopted after the millage and after public input on the budget. Dr. Rendell stated that after Consent Agenda and Action A, he would ask Mr. Morrison to review the millage rates and budget.

IV. ADOPTION OF THE ORDERS OF THE DAY

Dr. Rendell stated that there was a small change to Consent A. He asked Mr. Morrison to talk about the corrections. Mr. Morrison referenced a change to the backup narrative on page 1 of Consent A, under Appropriations the total of (\$4,989.39) should be stated as a “decrease” in Appropriations Budget. He said that on the same narrative page 1 under Budgeted Fund Balance, the sentence should read Fund Balance of \$49,124.39. With no further changes, Chairman Simchick called for a motion. Ms. Jiménez moved approval of the Orders of the Day. Mr. McCain seconded the motion and it carried unanimously, with a 5-0 vote.

V. CITIZEN INPUT

Bob Auwaerter requested to speak on Tax Anticipation Note financing.

VI. CONSENT AGENDA

Chairman Simchick called for a motion on the Consent Agenda with the corrections to the backup on Consent A. Ms. Jiménez moved approval of the Consent Agenda. Mr. McCain seconded the motion and it carried unanimously, with a 5-0 vote.

A. Approval of Budget Amendments – Mr. Morrison

Budget Amendments:

Amendment #1 – Enterprise Fund – Extended Day Program

Amendment #1 – Internal Service - Insurance Fund

Amendment #4– Debt Service

Amendment #1 – Special Revenue - Food Service

Amendment #4 – Capital Fund

Amendment #3 – Special Revenue – Federal Funds

Amendment #5 – General Fund - May and June

Explanation of the amendments accompanied the attached Budget Amendments. Superintendent recommended approval.

B. Approval of Annual Financial and Cost Reports for 2015-2016 – Mr. Morrison

District School Board approval was recommended for Form ESE 145-Annual Financial Report, Form ESE 348-Report of Financial Data in substantially completed form, and the Annual Cost Report submission to the Commissioner of Education for the fiscal year ending June 30, 2016. Superintendent recommended approval.

VII. ACTION AGENDA

A. Approval of Resolution #2017-03 to Exercise Flexibility Authority over Categorical Funds Pursuant to Florida Statute 1011.62(6)(b) – Mr. Morrison

During the fiscal 2012/13 Special Legislative Session, the Legislature amended Florida Statute 1011.62(6)(b) to grant to School Districts the authority to exercise flexibility to expend funds allocated to the School District from the State of Florida Education Finance Program (FEFP) in the areas of Student Transportation, Safe Schools, Supplemental Academic Instruction, Research-based Reading Instruction, and Instructional Materials. The purpose of this Resolution was to exercise flexibility over Instructional Materials funding for a total amount of \$1,135,887.14. Superintendent recommended approval.

Chairman Simchick called for a motion. Mr. McCain moved approval of Resolution #2017-03 to exercise flexibility authority over Categorical Funds pursuant to Florida Statute 1011.62(6)(b). Ms. Jiménez seconded the motion. Dr. Rendell and Mr. Morrison answered questions from the Board. Chairman Simchick called for a roll call vote from Miss Stang as follows:

Mr. Searcy	Yes
Mr. McCain	Yes
Ms. Jimenez	Yes
Mr. Frost	Yes
Chairman Simchick	Yes

The vote was unanimous in favor of the motion, with a 5-0 vote.

B. Discussion of Rollback Rate and proposed 2016-2017 Millage Rates – Mr. Morrison

Mr. Morrison reviewed the handouts that included a copy of the PowerPoint and the Tentative Budget Book. The advertisement was published in the newspaper over the weekend. Samples of that advertisement were available in Mr. Morrison's office. The Budget Book was posted to the Finance website for public viewing.

Mr. Morrison reviewed the millage rates as follows:

Millage	Adopted 2015-2016	Proposed 2016-2017	Increase/ (Decrease)
Operating:			
Required Local Effort	5.107	4.562	(0.545)
Local Discretionary	0.748	0.748	0.000
Special Millage Referendum	0.600	0.600	0.000
Capital Outlay	1.500	1.500	0.000
Total Millage	7.955	7.410	(0.545)

Mr. Morrison reviewed the Millage, as per Statute, with the Rollback Rate as follows:

Millage	Rollback 2015-2016	Proposed 2015-2016	Increase/ (Decrease)
Operating:			
Required Local Effort	4.843	4.562	(0.281)
Local Discretionary	0.709	0.748	0.039
Capital Outlay	1.423	1.500	0.077
Voted Millage	0.569	0.600	0.031
Total Millage	7.544	7.410	(0.134)

Note: 2016-2017 Proposed millage is (-1.78%) lower than the roll-back rate

Mr. Morrison reviewed the impact of proposed millage on a typical residential home. Two scenarios were depicted as follows:

Tax on a Residential Home - Scenario #1

<ul style="list-style-type: none"> Assumes <u>no</u> increase in assessed valuation of \$200,000 home 15/16 Taxes \$1,392.13 16/17 Taxes \$1,296.75 Tax <u>Decrease</u> (\$95.38) or 6.85% 	Assessed Value ----- Less – Homestead Exemption ----- Taxable Value of Home	\$200,000 ----- (25,000) ----- \$175,000
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Tax on a Residential Home - Scenario #2

<ul style="list-style-type: none"> Assumes 6.59% increase in assessed valuation of \$200,000 home, capped at 3%=\$6,000 increase 15/16 Taxes \$1,392.13 16/17 Taxes \$1,341.21 Tax decrease (-\$50.92) or 3.66% less 	Assessed Value ----- Less – Homestead Exemption ----- Taxable Value of Home	\$206,000 ----- (25,000) ----- \$181,000
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C. Public Hearing on 2016-2017 Millage Rates - Chairman Simchick**Public Hearing:**

Chairman Simchick asked the Superintendent if the Public Hearing was properly advertised in accordance with State Statutes. Dr. Rendell said, "Yes, Madam Chair, I have." Chairman Simchick recessed the meeting to conduct the Public Hearing.

Chairman Simchick announced that the Public Hearing was in session. She asked Dr. Rendell if there were any written responses to be read. Dr. Rendell said, "Madam Chair, we have not received any written responses." The public was invited to address this issue.

Gene Waddell requested to speak.

Hearing no further requests to speak, Chairman Simchick announced that the Public Hearing was conducted pursuant to notice and that ample opportunity to address this issue was provided to all. The Board meeting was reconvened.

D. Approval of Resolution #2017-04 for Adoption of 2016-2017 Millage Rates – Mr. Morrison
Motion for approval of Millage Rates for 2016-2017 that represented Required Local Effort, Basic Discretionary, Additional Voted, and Capital Outlay by Resolution #2017-04. Superintendent recommended approval.

Chairman Simchick asked if the Resolution had to be read. Mrs. D'Agresta said that the Resolution did not have to be read but the millage rates had to be stated for the record. Mr. McCain moved approval of Resolution #2017-04 for adoption of 2016-2017 Millage Rates. Ms. Jiménez seconded the motion. Board Members discussed the millage rates that were and those that were not controlled by the District School Board.

The Board also discussed the underfunding of charter schools by the State of Florida. Mr. Morrison read Resolution #2017-04 for the record. Chairman Simchick called for a roll call vote from Miss Stang as follows:

Mr. Searcy	Yes
Mr. McCain	Yes
Ms. Jiménez	Yes
Mr. Frost	No
Chairman Simchick	Yes

The motion carried, with a 4-1 vote.

E. Discussion of 2016-2017 Budget – Mr. Morrison

Mr. Morrison reviewed highlights contained within the 2015-2016 Tentative Budget Book. He read the proposed 2016-2017 Tentative Budget as follows:

FUNDS	2015-2016	2016-2017	Difference	% Change
General Operating	\$168,495,033	\$171,597,683	\$3,102,650	1.84%
Debt Service	18,601,215	22,185,013	3,583,798	19.27%
Capital Projects	38,683,404	51,985,021	13,301,617	34.39%
Special Rev – Food Sv	10,908,763	11,716,239	807,476	7.40
Special Rev – Other	11,239,928	10,479,644	(760,284)	-6.76%
Internal Service	18,813,916	17,567,868	(1,246,048)	-6.62
Enterprise Fund	1,427,916	1,211,183	(216,733)	-15.18%
Grand Total	\$268,170,175	\$286,742,651	\$18,572,476	6.93%

F. Public Input Hearing on Proposed 2016-2017 Budget – Chairman Simchick

Chairman Simchick asked the Superintendent if the Public Hearing was properly advertised in accordance with State Statutes. Dr. Rendell said, "Yes, I have, Madam Chair." Chairman Simchick recessed the meeting to conduct the Public Hearing.

Chairman Simchick announced that the Public Hearing was in session. She asked Dr. Rendell if there were any written responses to be read. Dr. Rendell said, "No, Madam Chair, I have not received any written responses." The public was invited to address this issue.

Hearing no requests to speak, Chairman Simchick announced that the Public Hearing was conducted pursuant to notice and that ample opportunity to address this issue was provided to all. The Board meeting was reconvened.

G. Approval of Resolution #2017-05 for Adoption of 2016-2017 Budget – Mr. Morrison

Motion for approval of 2016-2017 School District of Indian River County's Budget by Resolution #2017-05. Superintendent recommended approval.

Chairman Simchick called for a motion. Mr. McCain moved approval of Resolution #2017-05 for adoption of 2016-2017 Budget. Ms. Jiménez seconded the motion. Board Member noted that several workshops had been held on the budget and incorrect comparison information from the media had been addressed.

Board Members asked questions regarding consultant fees and the payment process. .
Chairman Simchick called for a roll call vote from Miss Stang as follows:

Mr. Searcy	Yes
Mr. McCain	Yes
Ms. Jimenez	Yes
Mr. Frost	No
Chairman Simchick	Yes

The motion carried, with a 4-1 vote.

VIII. CLOSING COMMENTS – Dr. Rendell/Mr. Morrison

Dr. Rendell stated that there had been five workshop and a Public Hearing held prior to this meeting. He thanked staff for their hard work. Dr. Rendell noted that there was \$1.2 million in cuts in comparison to last year's budget. He said that work would begin tomorrow on next year's budget. Mr. Morrison thanked the Print Shop for their work in printing the budget book.

Mr. Searcy asked if the Board and other folks could ask for changes in the budget after this meeting. Dr. Rendell stated that the millage rates could not be changed after this date; however, the budget could be amended throughout the year by bringing it to the Board for approval. Chairman Simchick clarified that the total dollar amounts would not increase but funds could be redirected for emergency needs or moved between projects. There was a discussion on zero-based budgeting for next year. The Chairman stated that next year, Board Members may request specific backup documentation to justify the budget amounts requested.

IX. ADJOURNMENT – Chairman Simchick

Meeting adjourned at approximately 6:00 p.m.